

**REQUEST FOR PROPOSAL**  
**TO PROVIDE INVESTMENT MANAGEMENT SERVICES**  
**FOR**  
**THE MACKINAC BRIDGE AUTHORITY - ST. IGNACE, MICHIGAN**

1. **PURPOSE:** This request for proposal(RFP) provides prospective CONSULTANTS with specific information concerning the work to be performed. This RFP is intended to provide sufficient information to enable CONSULTANTS to prepare and submit proposals for consulting services for actively managing the Mackinac Bridge Authority's investment portfolio.
2. **BACKGROUND:** The Mackinac Bridge Authority (MBA) was created as a corporate instrumentality in 1950 under provision of Act No. 21 of the Public Acts of Michigan. The Legislature passed Act No. 214 in 1952 and No. 141 in 1953, which allowed the Authority to impose tolls and charge fees, and to maintain, operate, repair, manage and control the bridge. About 5 million vehicles cross the bridge annually, generating an estimated \$16 million in toll revenue. This revenue is received in the form of cash, which is deposited locally and drawn upon to pay all of the MBA's expenses including employee labor costs and the purchase of goods and services. Cash in excess of current need is invested to maximize return while safeguarding principal.
1. **DESCRIPTION OF WORK:** The work to be performed by the selected consultant should at a minimum include the following:
  - A. Review and update the MBA's investment policy to ensure legal compliance and performance identified by the board's investment strategy.
  - B. Actively manage the MBA's investment portfolio to ensure that the board's investment strategy is maximized.
  - C. Inform the MBA of market conditions and opportunities to maximize the board's investment strategy.
  - D. Report on portfolio activity, investment values and return on investment.
4. **INFORMATION REQUIRED FROM BIDDERS:** The bidder's proposal must be submitted in the format outlined below. Each section of the proposal must be clearly identified with appropriate headings.
  - A. **BUSINESS ORGANIZATION:**
    - a. Provide the name, title, address, telephone, fax number, and e-mail address for the persons submitting this proposal.
    - b. Identify your firm's fiduciary classification; Registered Investment Advisor, Affiliate of Fiduciary, Other.
    - c. Give a brief history of the firm including the year organized, the year the

firm began providing investment consulting services to U.S. clients, the nature of the firm's ownership and specific details with regard to any affiliated companies or joint ventures, and indicate whether investment consulting capabilities were developed in-house or derived through another firm. Please provide an organization chart, which diagrams the ownership structure and interrelationships between the parent-subsidiary, affiliate, or joint venture entities.

- d. Provide the location and function of each of your firm's offices. Identify which of your firm's offices would service this account. Also identify which specific services would be provided by this or other offices.
- e. List your firm's lines of business and the approximate contributions of each business to your organization's total revenue. If you are an affiliate or subsidiary of an organization, identify what percentage of the parent firm's total revenue your subsidiary or affiliate generates.
- f. Provide details on the financial condition of your firm. Include your firm's most recent annual reports filed with the SEC and any recent material changes to those reports.
- g. Provide a copy of the firm's statement of policy on affirmative action and equal employment opportunities, and a copy of your firm's conflict of interest policy.
- h. Describe your database of investment management firms. Identify the number of investment management firms listed in your database and whether your database is subscribed to or created in-house. If created in-house, do you charge investment managers a fee for entry into your database?

**B. ASSETS ADVISED:**

- a. Identify the number of clients and the total amount of assets advised by your firm for all classes of assets.
  - b. List all public accounts currently advised by your firm. If name of client cannot be divulged, state type (i.e. "Public Fund" or "Corporate Fund").
- i. List all toll facilities (i.e. bridges, tunnels, turnpikes) currently advised by your firm.

**C. PERSONNEL:**

- a. List the total number of persons employed by your firm nationally and in Michigan.
- b. Supply biographical information on those individuals that would be directly servicing this account.
- c. Describe your firm's internal training procedures for consultants, research analysts and performance measurement specialists.
- d. Indicate how often the primary consultant would be available for client meetings and meetings with investment managers.

**D. CONSULTING PROPOSAL:**

- a. Describe your firm's investment philosophy and process. Include the approach to formulating investment goals and objectives. Describe your process for the development and/or review of an investment policy statement. Describe your proposed process and goals for this account.
- b. Provide a description of the modeling concepts and related methodology used to perform asset allocation modeling. Address the decision making process and the titles, experience and responsibilities of the various individuals involved in each step of the process.
- c. Describe the research process and capabilities of your investment manager. Is your research created in-house or is it outsourced? Provide a sample of a current investment manager research report with detail and bios on the individuals conducting the research.
- d. Describe the development and maintenance of your investment manager database, and the criteria used to make manager recommendations. Furnish an example of a recent investment manager search and supporting search criteria used to evaluate the eligible candidates.
- e. Provide a description of the methodology used by your firm to monitor existing investment performance. Identify the benchmarks and objectives you use to evaluate investment manager and portfolio performance. Furnish an example of a quarterly performance report and indicate how soon this report would be available after the end of each calendar quarter.
- f. Identify any on-line services you provide to your clients. Indicate how current the information is.
- g. Identify and describe the specific methods you would use to keep the Mackinac Bridge Authority members and staff abreast of significant developments with their account and in the investment field.

**E. AUTHORIZED NEGOTIATOR/EXPEDITER:** Include the name and phone number of the person(s) in your organization authorized to negotiate/expedite the proposed contract with the Authority.

**F. ADDITIONAL INFORMATION/COMMENTS:** Include any other information believed to be pertinent but not specifically requested elsewhere in the RFP.

**G. PRICE/FEE PROPOSAL:**

- a. Provide your firm's proposed fee for investment consulting services. Your fee proposal should be based on an annual fee with a schedule of fees for all special services not included in the annual retainer.
- b. Describe how fees are calculated and billed.
- c. Will you accept fee payments in soft dollars? If so, please explain the procedure used.

5. **ISSUING OFFICE:** This RFP is issued by the Mackinac Bridge Authority. Inquiries concerning the administration of the contract, technical inquiries, and project response to this RFP, and CONSULTANT selection for these services, should be directed to:

Mike Litzner, Chief Financial Officer  
Mackinac Bridge Authority  
333 Interstate 75  
St. Ignace, Michigan 49781  
906-643-7600

Responses to technical inquiries or issues of clarification will be communicated to and shared with all prospective bidders.

6. **INCURRING COSTS:** The Mackinac Bridge Authority is not liable for any cost incurred by prospective bidders responding to this RFP prior to the execution of a contract by both parties.
7. **PROPOSALS:** To be considered, each bidder must submit a complete response to this RFP. No other distribution of proposals is to be made by the bidder. The proposal must be signed in ink by an official authorized to bind the proposal to its provisions. The proposal and price proposal must include a statement as to the period of time during which the proposal remains valid. This period must be at least ninety (90) days from the due date for proposals to this RFP.
8. **ORAL PRESENTATION:** Responders to this RFP may be requested to make oral presentations for their firm's qualifications and ability to provide investment management services. These presentations provide an opportunity for the responder to summarize and clarify their response through mutual understanding, and to highlight their firm's philosophy, modeling concepts, internet capabilities, and other areas of expertise. Such presentations, if any, will be scheduled by the Authority.
9. **ACCEPTANCE OF PROPOSAL CONTENT:** The contents of this RFP, its attachments, and the proposal may be included into and become contractual obligations if a contract ensues. Failure of the successful bidder to accept these obligations may result in cancellation of a proposed contract. The Mackinac Bridge Authority reserves the right to interview key personnel assigned by the successful bidder to this project and to request reassignment of personnel deemed unsatisfactory by the Authority.
10. **ECONOMY OF PREPARATION:** Each proposal should be prepared simply and economically, providing a straightforward, concise description of the bidder's ability to be responsive to the requirements and objectives of this RFP.
11. **ITEMS TO BE PROVIDED TO THE MACKINAC BRIDGE AUTHORITY:** In addition to work products described in the RFP, all reports prepared by the CONSULTANT, including all graphics and texts, as instruments of service, and all data

collected as part of this project or furnished by the Authority, together with all computer generated disks, tapes, summaries, and charts derived therefrom, are the property of the Authority.

- 12. PRIME CONSULTANT RESPONSIBILITIES:** The selected consultant will be required to assume full responsibility for all services offered in its proposal whether or not the consultant performs them. Further, the Mackinac Bridge Authority will consider the selected consultant to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract. If any of the work is to be subcontracted, the prime consultant must provide a complete description of their capabilities. The prime consultant is totally responsible for adherence by the sub-consultant to all provisions of the prime contract. The Mackinac Bridge Authority must review and approve subcontracts **PRIOR TO THEIR EXECUTION.**

- 13. SELECTION CRITERIA:** Responses to this RFP will be evaluated by a technical review committee who will score each proposal based upon the following factors as presented in the bidders proposal:

- Proposed fee	20%
- method of approach	50%
- capability and qualifications, including prior experience and staff expertise	30%

- 14. INDEPENDENT PRICE DETERMINATION:** By submission of a proposal, the bidder certifies that in connection with the proposal:
- the prices in the proposal have been determined independently without consultation, communication, or agreement for the purpose of restricting competition as to any matter relating to such prices with any other bidder or competitor;
  - unless otherwise required by law, the prices which have been quoted in the proposal have not been knowingly disclosed by the bidder prior to award directly or indirectly to any other bidder or competitor;
  - no attempt has been made or will be made by the bidder to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.

Each person signing the proposal certifies that he/she:

- is the person in the bidder's organization responsible within that organization for the decision as to the prices being offered in the proposal and has not participated (and will not participate) in any action contrary to the above Independent Price Determination stipulations; or
- is not the person within the bidder's organization responsible for the decision as to the prices being offered in the proposal but has been authorized, in writing, to act as an agent for the persons responsible for such a decision and certifying that such persons have not participated (and will not participate) in any action contrary to the above Independent Price Determination stipulations.

A proposal will not be considered for award if the sense of the statement required in the cost and price analysis portion of the proposal has been altered so as to delete or modify the Independent Price Determination stipulations. If a prior disclosure of price has occurred, the proposal will not be considered for award unless the bidder furnishes with the proposal a signed statement which sets forth in detail the circumstances of the disclosure, and the issuing office determines that such disclosure was not made for the purpose of restricting competition.

15. **SEALED PROPOSAL/BID RECEIPT:** At least fifteen (15) copies of the proposal must arrive at the Mackinac Bridge Authority office on or before **Wednesday, October 29, 2003, close of business**. The bidder is responsible for the timely receipt of their proposal by the Authority. Late proposals will not be considered.
16. **DISCLOSURE:** All information in a bidder's proposal is subject to disclosure under the provisions of Michigan Public Act No. 442 of 1976 commonly known as the "Freedom of Information Act". This act also provides for the complete disclosure of contracts and attachments thereto.
17. **NON-DISCRIMINATORY PRACTICES:** The issuing office, in accordance with Title VI of the Civil Rights Act of 1964, 78 Stat. 252 U.S.C. 2000d to 2000d-4, hereby notifies all bidders that it will affirmatively insure that in regard to any contract entered into pursuant to this advertisement, minority business enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the basis of race, color, sex, or national origin in consideration for an award.

**End of RFP**